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S. 1, Special Branch flation

REPORT

Date January 30, 10 40.

Subject ... Labour Organizations in the Settlement.

Made by C.D.I. Sih Tse Liang Forwarded by D. I. Crawford

Mr. Koo Ping Yuen 遊流元) of the Industrial Section of the Shanghai Municipal Council was interviewed at Police Headquarters on the morning of January 25, 1940, and informed that the application submitted by the workers of the Moutrie Company for registration of their Lien Nyi Society could not be entertained by the Police and that on the afternoon of January 24, 1940, the delegates of the workers concerned had been notified to this effect.

In explaining the motives of the Police in rejecting the application, Mr. Koo was told that a labour organization once registered with the Special Branch must theoretically come under the control of that Branch and with control would come the Branch's responsibility for the suppression of all undesirable activities contravening the policy of the Council - that is, participation in any political or labour activities.

It was pointed out to Mr. Koo that while the Bureau of Social Affairs of the former local Tangpu had, with the aid of supervision by specially trained men, succeeded in controlling the activities of the labour unions, the Special Branch did not include amongst its staff members specially qualified in labour matters and, therefore, was unable to undertake such an arduous task.

A further point against Police undertaking

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such duties was that should they accept the registration of a labour organization, the management of the factory concerned would, undoubtedly, consider themselves free from further labour trouble and that in the event of trouble arising, a distinct possibility in view of the present chaotic conditions, the management would turn to the Police for settlement of the dispute. If the Police were unsuccessful in their attempt at settlement or should any incident occur, blame, in all probability, would be attached to the Police, either for permitting the workers to organize or for failing to exercise proper control.

A further possibility was that the labour agitators of the outside authorities, on learning that the Shanghai Municipal Police had registered a labour union might, with the object of embarrasing the Police, endeavour to create trouble amongst the workers of the organization concerned.

With the views expressed above Mr. Koo Ping Yuen agreed and stated that he fully realized the weak points of the argument in favour of the registration of unions. He further stated that the Industrial Section of the Shanghai Municipal Council in giving support to the idea had considered the problem only on general principles and without taking into consideration details.

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concerning supervision, etc. Mr. Koo added that the real object in supporting the scheme having been motivated by a desire to find a way to hold the workers to an agreement they had entered into (in the case of Moutrie's) with the management.

As a solution to the problem, Mr. Koo explained that with the existence of a Mutual Aid Society, the workers' representatives who are signatories to an agreement with the management would automatically become committee members of the society, thus preserving their semi-legal status as workers' representatives and as such, during the validity of the agreement, could be held responsible in the event of fresh trouble. Without a society, signatories of the agreement would lose their semi-legal status and in case of fresh trouble would undoubtedly attempt to shift responsibility and declare that they were not official delegates; with such a declaration the agreement between the management and labourers would become of no value.

Taking these various points into consideration, it was agreed that the best way to solve the difficulty would be for the management of the factory to cooperate with the labourers in the matter of forming a labour organization. The presence of representatives of the employer in the administration of a society, would not only make for a better

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cooperative spirit but would also assist the Settlement Authorities in regulating local labour activities.

Mr. Koo agreed to put forward the foregoing suggestions whenever his opinion in labour matters was solicited by the managements of local factories.

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REPORT

Date January 24, 19 40.

Subject Labour Organizations in the Settlement.

Made by C.D.I. Sih Tse Liang Forwarded by D. I. Crawford

In the afternoon of January 19, Mr. KOO PING YUEN (模 加力) of the Industrial Section called at Police Headquarters and gave the following information:-

Moutrie Piano Company Workers' Lien Nyi Society

When the strike of the workers of the Moutrie Piano Company was settled, both the Management and the workers signing an agreement, Mr. STEVENSON expressed his anxiety over the possibility of the workers being again influenced by the Chinese Labourers' Jelfare Association and other unruly elements. Mr. KOO informed him that such a possibility could be easily removed by organizing the workers into a union of their own under the supervision of the Shanghai Municipal Council. This suggestion met with the approval of Mr. STEVENSON and the workers later sent representatives to see Mr. KOO on the subject of forming a union, as they were unwilling to become members of the Chinese Labourers' Welfare Association (Eastern District Branch), and yet desired to have something on the lines of a union in order to promote unity among the workers. Mr. KOO then took the matter up, but before starting on the preparation of such a project, warned the workers that the union could not engage

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in political activities but must confine itself to the promotion of mutual welfare of the members and an understanding between capital and labour. This idea for the workers of the Moutrie Company had the support of Miss HINDER, Chief of the Industrial Section.

Flour Mill Workers' Self Control Society

In September, 1939, the employees of the Foo Foong Flour Mill, 126 Mokanshan Road, applied for equal treatment the same as that given to the workers of the Foh Sing Flour Mills, and the management agreed. When the dispute was settled, the workers of the Foo Foong Mill broached the subject of forming a selfcontrol society and representatives approached Mr. KOO and requested his assistance in its preparation. Mr. KOO consulted the manager who gave his approval of a workers' organization. Mr. KOO then assisted the workers in preparing the regulations of the Society and on October 10, he attended the mill and delivered a speech concerning the organization of a labour union. He admitted that he had not referred the matter to the Special Branch for registration because he did not know of the procedure at that time, and was under the impression that it might not

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be necessary as it was organized with the cooperation of the management of the mill.

With the inauguration of the Foo Foong
Mill Workers' Society, employees of the Foh
Sing Flour Mills, West Soochow Road also solicited
the assistance of Mr. KOO in forming a selfcontrol society. He accepted this request,
and assisted them in the compilation of a
membership list and amendments to the regulations
governing the organization of the society,
similar to the assistance rendered to workers
of the Moutrie Company but on this occasion
referred them to Special Branch for registration.

Wing On Cotton Mill Workers' Self Control Society

With regard to the organization of workers in the Wing On Cotton Mill, 491 Markham Road, Mr. KOO stated as follows:

On January 13, the labour representatives called upon him at the Industrial Section of the Shanghai Municipal Council for the purpose of requesting his assistance in securing the reinstatement of Chief Engineer Mr. Li. During the appeal, the representatives informed him of the workers' intention to form a self-control society. Mr. KOO agreed with such an organization in principle, but was doubtful about the attitude

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of the management, whereupon he referred the matter to Miss HINDER, who was not in favour of such an organization. On January 15, four representatives of the workers again called upon Mr. KOO in his office and submitted a petition relating to the organization of the society, but he referred them to the Special Branch.

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#### A. C. (Special Branch).

Mr. KOO is an ex-member of the now defunct Social Bureau of the old Shanghai City Government and Tangpu and it will be seen that he is attempting to carry out the principles of that body by organizing labour. What his real intentions are is a matter for conjecture but to undertake such a task, and have it properly supervised would mean enlarging the staff of the Special Branch and although we have exemplary powers at the present time, it is doubtful if we could control such organizations effectively. We have registered a number of societies which cover one trade but the members belong to a number of different concerns, not to one, as

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would happen if we registered the above three, and it would be a most difficult job in endeavouring to control such a large number of employees.

In the Wing On case the management dismissed the engineer, named Li, who was in charge of the social and schooling side of the Mill because they suspected the teachings to have caused the strike and the management would never agree to such a proposal at our instigation I think.

In cases of the big mills and industrial concerns I respectfully suggest that the management control their employees societies.

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